

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MEADE COUNTY
RURAL ELECTRIC COOPERATIVE
CORPORATION FOR APPROVAL TO ISSUE
SECURITIES PURSUANT TO KRS 278.300

)
) CASE NO.
) 97-157
)

O R D E R

IT IS ORDERED that Meade County Rural Electric Cooperative Corporation ("Meade County") shall file the original and 8 copies of the following information with the Commission within 7 days of the date of this Order. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided if a hearing is held. Careful attention should be given to copied material to ensure its legibility.

1. a. What financing sources, other than National Rural Utilities Cooperative Finance Corporation ("CFC"), did Meade County consider to obtain the requested \$1,906,000?

b. For each financing source identified, state why this source was not chosen. Provide all studies and analyses which Meade County used to make its selection.

2. Provide the additional debt service requirements associated with the Rural Utilities Service ("RUS") loan and the CFC loan, using the RUS interest rate and the current CFC variable and fixed interest rates.

3. Using the current CFC rates for variable and fixed loans, provide an amortization schedule for the proposed CFC loan.

4. a. Do Meade County's existing rates generate sufficient revenues to meet existing expenses and the increased debt service requirements which will result from the proposed RUS and CFC loans?

b. Provide all calculations and assumption which were used to prepare the response to 4(a).

5. a. Do Meade County's existing rates generate sufficient revenues to meet existing expenses and the increased debt service requirements which will result from the proposed RUS and CFC loans and the implementation of its 1995-1999 Work Plan?

b. Provide all calculations and assumption which were used to prepare the response to 4(a).

6. Provide the Long Range Financial Forecast that Meade County filed with the RUS to support its application for the proposed financing.

7. Concerning the purchase of the CFC Capital Term Certificate ("Certificate"), provide:

a. All calculations and workpapers used to determine the rate for and the amount of Certificate purchases for the proposed loan.

b. (1) Which option does Meade County plan to use when making its purchase?

(2) Why did Meade County select this option?

8. a. What interest rate options for the CFC loan are currently available to Meade County?

b. Provide all CFC publications, literature, correspondence, and memoranda which describe the available interest rate options.

9. If the funds from the proposed CFC loan were advanced as the date of Meade County's response to this Order, which loan program would Meade County select? Why? Provide all studies and analyses which Meade County considered when making its selection.

10. Provide documentary evidence of RUS and CFC's approval of the proposed loans.

11. a. Will Meade County execute a new mortgage agreement with CFC as part of its loan agreement with CFC?

b. If yes, provide the new mortgage agreement and note all differences between the proposed agreement and the current agreement.

c. If no,

(1) Identify the last case before the Commission in which Meade County filed its mortgage agreement with CFC.

(2) If Meade County has executed a new mortgage agreement with CFC or executed amendments or changes since that filing, provide the current mortgage agreement and note all differences between that agreement and the agreement which was previously filed with the Commission.

12. a. When did Meade County begin construction of the facilities and improvements set forth in its 1995-1999 Work Plan?

b. How much has Meade County spent on the 1995-1999 Work Plan, as of the date of its response to this Order?

13. Provide the RUS Form 740c which shows the breakdown of financing between RUS and CFC.

Done at Frankfort, Kentucky, this 22nd day of April, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director